

EXHIBIT J

Cumulative Blackline Of Appendix C To Disclosure Statement  
(Marked To Show All Changes Since September 6, 2007)

**APPENDIX C**  
**FINANCIAL PROJECTIONS**

## **Financial Projections**

The Debtors believe that the Plan meets the Bankruptcy Code's requirements that the Plan confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan. In connection with the development of the Plan, and for the purposes of determining whether the Plan satisfies this feasibility standard, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources. In this regard, the management of the Debtors developed and refined the Business Plan and prepared consolidated financial projections of Delphi Corporation (the "Projections") for the years ending December 31, 2007 through December 31, 2011 (the "Projection Period"). Included in 2007 projected amounts are actual unaudited financial results through June 30, 2007. The Projections have been prepared on a consolidated basis consistent with the Company's financial reporting practices and include all Debtor and non-Debtor entities.

The Debtors do not, as a matter of course, make public projections of their anticipated financial position or results of operations. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or projections to holders of Claims or Interests after the Confirmation Date, or to include such information in documents required to be filed with the Securities and Exchange Commission or otherwise make such information public.

ALTHOUGH EVERY EFFORT WAS MADE TO BE ACCURATE, THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES ("U.S. GAAP"), THE FINANCIAL ACCOUNTING STANDARDS BOARD, OR THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION REGARDING PROJECTIONS. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY THE DEBTORS' INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THE PROJECTIONS ARE BASED ON A VARIETY OF ASSUMPTIONS, WHICH MAY NOT BE REALIZED, AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, WHICH ARE BEYOND THE CONTROL OF THE DEBTORS. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY ANY OF THE REORGANIZED DEBTORS, OR ANY OTHER PERSON, THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS. HOLDERS OF CLAIMS AND INTERESTS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN REACHING THEIR DETERMINATIONS OF WHETHER TO ACCEPT OR REJECT THE PLAN. NEITHER THE DEBTORS' INDEPENDENT AUDITORS NOR THEIR FINANCIAL AND RESTRUCTURING ADVISORS HAVE EXPRESSED AN OPINION ON OR MADE ANY REPRESENTATIONS REGARDING THE ACHIEVABILITY OF THE FINANCIAL PROJECTIONS.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: These Projected Financial Statements contain statements which constitute "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" in these Projected Financial Statements include the intent, belief or current expectations of the Debtors and members of their management team with respect to the timing of, completion of and scope of the current restructuring, reorganization plan, strategic business plan, bank financing, and debt and equity market conditions and the Debtors' future liquidity, as well as the assumptions upon which such statements are based. While management believes that its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance, and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Important factors currently known to management that

could cause actual results to differ materially from those contemplated by the forward-looking statements in these Projected Financial Statements include, but are not limited to, those risks and uncertainties set forth in Section X of the Disclosure Statement and other adverse developments with respect to the Debtors' liquidity position or operations of the various businesses of the Reorganized Debtors, adverse developments in the bank financing markets or public or private markets for debt or equity securities, or adverse developments in the timing or results of the Debtors' current strategic business plan (including the current timeline to emerge from chapter 11) and the possible negative effects that could result from potential economic and political factors around the world in the various foreign markets in which the Reorganized Debtors operate.

### **Summary of Significant Assumptions**

The Projections were developed by management using a detailed, "bottoms-up" approach (see Section VI of the Disclosure Statement) and are based upon: a) current and projected market conditions in each of the Debtors' respective markets; b) no material acquisitions or divestitures other than as contemplated in the Plan; c) emergence from chapter 11 at or around December 31, 2007 under the terms expected in the Plan; and, d) the ability to raise exit financing at rates similar to those described in the notes to the Projections. Incorporated into the Projections are management's estimates of the economic impact of the agreements reached with the Debtors' Plan Investors, labor unions, GM, the IRS and PBGC, and other parties to the Debtors' transformation plan (all as discussed in more detail in this Disclosure Statement).

The Projections include certain operations expected to be sold or wound-down (the "Non-Continuing Businesses") which are primarily comprised of the operations of the Debtors' Steering and Automotive Holdings Group divisions. The Non-Continuing Businesses are assumed to either: a) be sold by December 31, 2008<sup>1</sup>, or b) to operate in a wind-down mode until key customers are able to secure alternate production sources. The U.S. hourly labor costs of the UAW Non-Continuing Businesses will be subsidized by GM through December 31, 2007. To the extent that the Debtors are required to extend the operations of any of the U.S. UAW Non-Continuing Businesses beyond December 31, 2007, such businesses are projected to operate on a Production Cash Burn Breakeven basis<sup>2</sup>. Therefore, the Debtors believe that a delay in the sale of any of the U.S. held for sale businesses will not have a material adverse effect on the Debtors' operations or financial condition. For those Non-Continuing Businesses which are anticipated to be sold, the Debtors have included estimated net proceeds in the Projections.

Consistent with the Debtors' financial reporting, the Projections are consolidated in U.S. dollars. Foreign exchange rate assumptions used in the Projections were developed by the Debtors. Projected exchange rates for 2007 are based on forecasts provided by Global Insight ("GI/DRI"), a third-party econometric firm. Projected exchange rates beyond 2007 are based on a combination of forward curves, bank forecasts and forecasts prepared by GI/DRI.

### ***Income Statement Assumptions - Revenues***

**Sales:** The Debtors base their sales forecasts on projections of OEM automotive build rates and product mix provided by GI/DRI. Certain such OEM projections are adjusted by management for market considerations prior to being incorporated into the Debtors' revenue projections.

The Debtors' sales to GM, its largest customer, are highly dependant on the build rate of GM light trucks and passenger cars in North America. The GMNA build rates used during the projection period range from a low of 3.7996 million vehicles in 2008 to a high of 4.23 million vehicles in 2011. These build rates exclude CAMI and NUMMI, GM partnerships in North America.

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<sup>1</sup> Accordingly, such businesses are not included the Projections beyond December 31, 2008.

<sup>2</sup> Excludes the Electronics and Safety Milwaukee site closing December 31, 2008, which is not covered in Production Cash Burn Breakeven.

The Debtors' sales to customers other than GM ("Non-GM Sales"), are also based on build rates from the GI/DRI vehicle build forecast.

The Debtors' sales include revenues from products for which contracts have already been awarded ("booked" sales), in addition to opportunities ("unbooked" sales) that management reasonably believes will be awarded in the future. Because OEMs typically award contracts years in advance of program launch, the Debtors' 2007 through 2009 forecasts include approximately 80% and greater of booked sales. Delphi is not guaranteed production volumes by any OEM.

OEM sales contracts typically include provisions for year-over-year market-based price reductions, commonly known as "price-downs," from their suppliers. The Debtors' Non-GM Sales reflect contractual pricing terms for booked sales and anticipated market-based pricing terms for unbooked sales expected to be awarded. Price-downs to OEMs are projected to be generally similar to historical rates. An exception to this is price-downs related to GMNA, which are assumed to be higher than typical for continuing businesses in 2008 and 2009. These years include incremental price-downs in recognition of the Debtors' lower cost structure.

Included within GM sales is the incremental revenue associated with the labor subsidy, relating to U.S. hourly labor related expenses, and Production Cash Burn Breakeven payments provided by GM. Such payments are expected to be approximately \$0.1 billion annually in years 2008 through 2011. Actual U.S. GAAP accounting for these payments may differ.

### *Income Statement Assumptions - Expenses*

**Cost of Goods Sold ("COGS"):** The most significant portion of the Debtors' COGS expenditures are direct materials costs, including purchases of various commodity raw materials (primarily metals and plastics) used in the production of salable parts. Direct materials costs are strongly affected by unit cost assumptions regarding key commodities (e.g., copper, steel and resins). Key commodity prices for 2007 were developed by the Debtors taking into account pricing trends, market considerations and hedging positions. Commodity prices for 2008 and beyond are generally assumed to remain consistent with 2007 projected levels with the exception of copper. Copper is assumed to increase slightly in 2008, then decline modestly in 2009 and remain constant thereafter. The Debtors believe that the impact of price increases can be mitigated by performance initiatives, including competitive sourcing and engineering initiatives, to improve the overall efficiency of materials usage.

Manufacturing expenditures comprise the next largest portion of COGS. Manufacturing expenditures include wages and benefit costs, along with outside services and other ancillary activities required in the Debtors' production processes. In the U.S., manufacturing expenses are anticipated to be favorably impacted (relative to pre-reorganization levels) by the transformation of Delphi's hourly workforce to a more competitive wage and benefit structure by the fourth quarter, 2007 through transition mechanisms (i.e., GM supported attrition and buydown programs), economic modifications to the existing labor agreements, the exit from designated non-continuing sites, and design changes to existing defined benefit hourly pension and post-retirement healthcare plans (discussed further in the "Balance Sheet Assumptions" section). In regions outside the U.S., manufacturing expenses are expected to be favorably impacted by various initiatives to consolidate manufacturing and migrate production to lower-cost geographic locations. Cost of goods sold also includes manufacturing related restructuring charges.

**Selling General and Administrative ("SG&A expense"):** SG&A expense represents expenses incurred at corporate and divisional headquarters locations, along with various plant overhead functions, all IT expenses and SG&A related restructuring charges. As a percentage of sales, SG&A expenses (inclusive of restructuring items) range from a high of 7.88% in 2008 to a low of 5.7% in 2011. The decline in such costs as a percentage of sales is attributed to recurring savings from cost reduction measures, including financial services and IT outsourcing activities for which one-time SG&A expenses will be incurred in 2007 and 2008.

**Depreciation and Amortization:** Depreciation and amortization (“D&A”) expenses are comprised of recurring depreciation expense using accelerated or straight line depreciation methods for fixed assets employed during the projection period. D&A also includes non-cash impairment charges related to reductions in carrying value of certain assets of the Debtors’ Non-Continuing Businesses. In addition, beginning in the first quarter following the Effective Date, expenses related to the amortization of intangible assets (other than goodwill) are recorded in conjunction with the implementation of Fresh Start accounting, as well as a write-off of in-process R&D of \$0.3 billion in the first quarter of 2008. Excluding the write-off of in-process R&D, the amortization of intangible assets is estimated to be \$0.3 billion annually in years 2008 through 2011.

**Restructuring Charges:** Restructuring charges are included within the COGS, SG&A expense, D&A and other categories in the Projections. The following table illustrates the split of projected restructuring expenses between the aforementioned expense categories:

Restructuring Charges by Category					
(\$ in millions)					
	2007	2008	2009	2010	2011
Restructuring Expense-COGS	\$ 808	\$ (3)	\$ 122	\$ 100	\$ 45
<del>Restructuring Expense-SG&amp;A</del>	<del>238</del>	<del>239</del>	<del>24</del>	<del>-</del>	<del>-</del>
Restructuring Expense-D&A	833	207	10	-	-
Restructuring Expense-Other <sup>1</sup>	332	81	-	-	-
Total Restructuring Expense	\$ 2,211	\$ 524	\$ 156	\$ 100	\$ 45

<sup>1</sup> Amounts are included in securities litigation charge and sales line items in the income statement.

Restructuring Charges by Category					
(\$ in millions)					
	2007	2008	2009	2010	2011
Restructuring Expense-COGS	\$ 808	\$ 12	\$ 122	\$ 100	\$ 45
Restructuring Expense-SG&A	238	239	24	-	-
Restructuring Expense-D&A	833	207	10	-	-
Restructuring Expense-Other <sup>1</sup>	332	81	-	-	-
Total Restructuring Expense	\$ 2,211	\$ 539	\$ 156	\$ 100	\$ 45

<sup>1</sup> Amounts are included in securities litigation charge and sales line items in the income statement.

Restructuring charges are comprised of various income statement impacts of implementing the Debtors’ Transformation Plan, including:

- Employee payout costs of the 2007 special attrition programs, which offers various transition and exit mechanisms to the U.S. hourly labor workforce;
- Other employee severance (primarily U.S. salaried and non-U.S. hourly employees) costs resulting from the wind-down and sale of the Debtors’ Non-Continuing Businesses;
- The consolidation and migration of various continuing businesses (primarily in Europe), resulting in expenses for employee severance and plant closing costs;
- Non-cash impairment charges related to the reduction in carrying value of the assets of the Debtors’ Non-Continuing Businesses.
- Various overhead cost reduction measures, including financial services and IT outsourcing and migration of IT systems resulting in one-time IT and employee severance costs; and,
- One-time income and expense items recognized as a result of the agreement with GM, including:

- GM labor subsidy income retroactive to October 1, 2006, recognized in the first quarter of 2008; and,
- Commercial price concessions retroactive to January 1, 2007, recognized in the first quarter of 2008.

Restructuring expense in the Projections differs from that reported for U.S. GAAP purposes in certain respects; however, the Debtors' believe that this presentation facilitates the use of EBITDAR, EBITDARP and EBITDARPO (operating income before depreciation, amortization, restructuring, pension and OPEB expense), as indicators of recurring operating income during the Projection Period.

**Reorganization Items:** Reorganization items are primarily comprised of cancellation of debt ("COD") income resulting from the settlement of the Debtors' pre-petition liabilities at the Effective Date, partially offset by the recognition of approximately \$4.0 billion of net unamortized losses related to predecessor pension, OPEB, and Extended Disability Benefits ("EDB") liabilities. The largest component of COD income results from the termination of the Debtors' hourly-post-retirement healthcare liability of approximately \$8.3 billion, as part of the labor transformation. Bankruptcy-related professional fees are also included in reorganization items.

**Interest Expense:** Interest expense is based upon projected debt levels and applicable interest rates, as outlined under debt structure below. Interest expense also includes the non-cash amortization of certain transaction fees associated with emergence.

**Other Income/(Expense):** Other income/(expense) is primarily comprised of equity income from non-consolidated joint ventures, minority interest expense in consolidated joint ventures and interest income. The 2008 other income/(expense) includes the write-off of certain other assets at the Non-Continuing Businesses.

**Income Tax Expense:** Outside of the U.S., effective income tax rates are used to forecast income tax expense. These tax rates take into consideration management estimates regarding the ability to utilize net operating loss carry-forwards to offset a portion of taxable income and the impact of changes in tax laws. U.S. income taxes were estimated by the Debtors after considering the application of pre-emergence tax attributes to offset any taxable income, subject to Section 382 limitations, and post-emergence net operating losses. The Debtors believe that they will have sufficient net operating losses to completely offset U.S. taxable income during the Projection Period and, therefore, no amounts relating to U.S. income taxes are included in the Projections.

**EBITDAR:** EBITDAR improves from \$0.4 billion in 2007 to \$2.4 billion in 2009, amounting to an improvement of \$2.0 billion. Reductions in Pension and OPEB expense contribute \$1.0 billion to this improvement, while other transformation related activities amount to \$0.4 billion. In addition, the impact of revenue growth combined with net improvements in operational factors amount to \$0.6 billion.

*Balance Sheet Assumptions (Should be read in conjunction with the Projected Pro Forma Consolidated Balance Sheet Assumptions)*

**Cash and Cash Equivalents:** The Projections contain anticipated minimum cash balances required for operations as established by management. Excess cash is applied to the revolving credit facility, and then used to pay down term debt after 2008.

**Accounts Receivable:** Accounts receivable decreases in 2008 as the working capital related to the Non-Continuing Businesses is monetized. After 2008, the increase in accounts receivable relates to the expected sales growth as customer terms are projected to remain relatively constant throughout the period.

**Inventory:** Inventory decreases from 2007 to 2008, due primarily to the Debtors' monetization of working capital related to Non-Continuing Businesses. From 2009 to 2011, inventory balances increase as a result of growth, as inventory turns are projected to remain relatively constant.

**Other Current Assets:** Other current assets are primarily comprised of prepaid expenses, reimbursements due from GM under the Debtors' agreement with GM and other assets which are short-term in nature.

**Property, Net:** Changes in property, net are primarily driven by capital spending, which is derived based upon anticipated requirements emanating from the Debtors' revenue plan, product migration, facilities maintenance and restructuring activities. Capital spending as a percentage of sales peaks in 2008 at 4.76% and then declines each year over the Projection Period to 3.3% by 2011.

**Other Assets:** Other assets are primarily comprised of identifiable intangible assets (e.g., patents, trade names, and customer relationships) and the book value of investments in non-consolidated joint ventures. Other assets increase significantly at the end of 2007 due to assumptions regarding the revaluation of intangible assets at the Effective Date in conjunction with the implementation of Fresh Start Accounting.

**Pension Prepaid Asset<sup>3</sup>:** Pension prepaid asset represents the excess of plan assets over plan obligations for U.S. defined benefit pension plans. The pension prepaid asset increases over the Projection Period due to freezing of the U.S. hourly and salaried defined benefit plans (described in further detail under "Pension"), which results in a reduction in projected benefit obligations and the reduction of pension contributions to reach the full funding limit, as well as projected asset returns that exceed the liability discount rate.

**Goodwill:** Goodwill was determined by subtracting the estimated fair market value of the reorganized Debtors' identifiable tangible and intangible assets at the Effective Date from the sum of the projected reorganized equity value plus total liabilities upon emergence.

**Accounts Payable:** The Projections reflect the return of the Debtors' accounts payable to pre-petition terms in 2008, the effect of which is offset by the reduction of payables related to the monetization of working capital at certain Non-Continuing Businesses. In 2010 and 2011, the increase in accounts payable balances relates to growth, as vendor payment terms are projected to remain consistent with year-end 2008.

**Accrued Liabilities:** Accrued liabilities are primarily comprised of employee benefit obligations (excluding pension), warranty, income and other tax, payroll, at risk compensation, restructuring, and attrition program obligations due within the following twelve months.

**Debt Structure:** Upon emergence, the Debtors' long-term debt structure is expected to include:

- a) A \$1.6 billion revolving credit facility at an interest rate of LIBOR +225 (London Inter-bank Offered Rate plus 225 basis points) to serve as supplemental liquidity for general operating purposes~~n exit revolver to serve as supplemental liquidity for general operating purposes;~~
- b) \$4.5 billion of exit financing facilities comprised of a \$3.7 billion funded term loan at an interest rate of LIBOR +375 and a \$0.75 billion second lien note at a 9.5% interest rate which will be raised in the capital markets to satisfy claims and other financing needs as contemplated in the Plan;

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<sup>3</sup> Since pension status is measured on a plan-by-plan basis, the Debtors' consolidated balance sheet projections include both pension prepaid assets and pension liabilities in the same periods, due to the underfunded status of certain international and U.S. non-qualified plans.



- c) ~~\$7.1 billion of exit financing facilities bearing a blended interest rate of 8.8% to satisfy claims and other financing needs as contemplated in the Plan; and \$0.75 billion second lien note to GM at a 9.5% interest rate to satisfy a portion of the GM Claim; and,~~
- d) Factoring, securitization, and other foreign debt, capital leases and industrial development bonds.

**Pension<sup>3</sup>:** Pension liabilities represent the excess of plan obligations over plan assets for U.S. and foreign defined benefit pension plans. As part of the Debtors' Transformation Plan, the U.S. hourly and salaried defined benefit plans are assumed to be frozen as of the Effective Date. The hourly plan is replaced with a 5.4% cash balance plan for the UAW and a 7% Defined Contribution ("DC") plan for the IUE & USW. The salaried defined benefit plan is being replaced with a DC plan providing for employer non-elective and matching contributions. The SERP is also assumed to be frozen as of the Effective Date and replaced for active employees with a non-qualified DC SERP.

The principal U.S. plan actuarial estimates are: asset return rates of 10.0% in 2007 and 8.75% thereafter and a discount rate of 5.9%.

Underfunded obligations for foreign pension plans are included for the entire Projection Period assuming no design changes to existing benefits.

**OPEB:** The termination of the U.S. hourly post-retirement healthcare plan and concurrent triggering of the GM Benefit Guarantees are assumed to occur on the Effective Date. Post-Effective Date OPEB liabilities reflect the Debtors' obligations related to a) retiree medical accounts for certain U.S. hourly employees pursuant to U.S. labor agreements, and b) continuing obligations for certain U.S. salaried active and retired employees. These are projected based upon expected eligible employees and assumptions relating to future health care costs, mortality tables and discount rates.

**Other Liabilities:** Other liabilities are primarily comprised of long-term obligations or reserves related to restructuring initiatives, customer warranties, workers compensation and environmental matters. Minority interest in consolidated joint-ventures is also included.

~~**Stockholders' Equity:** Stockholders' equity at the Effective Date includes the effect of \$2.6 billion of new invested capital (including proceeds from the Rights Offerings and the sale of convertible preferred stock), as well as the issuance of common stock to pre-petition constituents at a negotiated Plan share price of \$45 per share, subject to discounts for certain constituents as negotiated in the Plan.~~ **Stockholders' Equity:** For purposes only of preliminary fresh start accounting estimates in these Projections, stockholders' equity at the Effective Date is based on an assumed \$13.5 billion enterprise value estimate along with pro forma emergence net debt, and includes the effect of \$2.6 billion of new invested capital (including proceeds from the Rights Offerings and the sale of convertible preferred stock), as well as the issuance of i) common stock to pre-petition constituents and ii) \$1.2 billion of preferred stock to GM as part of the total consideration in satisfaction of the GM Claim.

### *Cash Flow Assumptions*

**Cash flow from operating activities:** Cash flow from operating activities is projected to increase from an outflow of \$0.8 billion in 2007 to an inflow of \$1.5-7 billion in 2011. Significant sources and uses of cash from operations include:

- EBITDARPO improves from \$1.3 billion in 2007 to \$2.9 billion in 2011;

- Global restructuring cash outflows of approximately \$1.6 billion, \$0.5 billion and \$0.2 billion in 2007, 2008 and 2009, respectively;
- U.S. pension funding contributions of approximately \$1.2 billion in 2008 made in accordance with the Pension Protection Act of 2006;
- Projected net working capital monetization proceeds associated with the exit from certain Non-Continuing Businesses; and,
- Net reimbursements from GM of \$0.4 billion in first quarter 2008 resulting from the settlement with GM.

Improved operating cash flows are generally the result of the implementation of the Debtors' Transformation Plan, including product portfolio rationalization and migration, SG&A cost reduction initiatives, reduction in personnel costs as a result of negotiations with labor groups, the freezing of U.S. legacy defined benefit pension plans and agreement with GM regarding future business commitments and financial support for legacy costs, including hourly OPEB, as well as revenue growth in the continuing businesses.

***Cash flow from investing activities:*** Cash flow from investing activities primarily consists of capital expenditures. Capital expenditures are \$0.9 billion in 2008, which includes various restructuring initiatives, and decline thereafter to approximately \$0.8 billion per year following the wind-down and/or sale of Non-Continuing Businesses.

***Cash flow from financing activities:*** The Projections anticipate raising approximately \$~~79.07~~ billion of incremental funding in the form of bank debt, ~~unsecured~~ second lien notes, convertible preferred stock, and rights to purchase equity on the Effective Date to satisfy the Debtors' anticipated capital requirements offset by emergence payments of approximately \$~~69.41~~ billion required under the Plan. Financing raised in excess of emergence payments on December 31, 2007 is used primarily to fund U.S. pension contributions shortly after emergence. Subsequent to December 31, 2007, cash flows from financing activities generally represent net draws or repayments under the Debtors' revolving credit facilities and principal paydowns on the exit term loan due to both scheduled amortization and application of excess cash flow. Prior to the Effective Date, cash flows from financing activities are primarily comprised of borrowings under the Debtors' DIP financing facility. Further detail of the various sources and uses of cash at the Effective Date are illustrated below:

Estimated Cash Sources and Uses at Emergence - 12/31/2007

(\$ in millions)	Adjustments
<b><u>Cash Sources/(Uses):</u></b>	
New Invested Capital	\$ 2,550
Exit Term Loan	3,700
Second Lien Note	750
<b>Total Cash Sources</b>	<b>\$ 7,000</b>
DIP Term B	(250)
DIP Term C	(2,495)
DIP Revolver	(682)
Refinanced Note to GM <sup>(a)</sup>	(1,500)
Payments to GM	(750)
Administrative & Priority Claims (including cure, transaction fees and other) <sup>(b)</sup>	(735)
<b>Total Cash (Uses)</b>	<b>\$ (6,411)</b>
<b>Cash Flow from Financing at Emergence</b>	<b>\$ 589</b>

- a) For purposes of the Projections, the payment of the \$1.5 billion GM note is assumed to occur at the Effective Date.
- b) ~~Payments to General Unsecured Creditors of \$0.0 billion are based on estimated allowed claims of \$3.5 billion (excluding TOPrS Claims), including accrued interest from the Petition Date to the Effective Date. Such claims are projected to receive 0% of their recoveries in cash and the remainder in stock using a deemed value of \$45 per share.~~ Administrative and priority claims and transaction fees are estimated to be \$0.7 billion and are projected to receive 100% of their total claim amount in cash. Transaction fees include payments to debt and equity capital providers for underwriting, as well as to legal and financial advisors involved in the Debtors' Chapter 11 case.

**Delphi Corporation**  
**Select Projected Financial Metrics**

(\$ in millions)

<b>CONSOLIDATED</b>					
	2007	2008	2009	2010	2011
GM Sales	\$ 10,546	\$ 5,996	\$ 5,465	\$ 5,479	\$ 5,736
Non-GM Sales	15,423	13,712	14,821	16,484	17,923
<b>Total Sales</b>	<b>25,969</b>	<b>19,708</b>	<b>20,286</b>	<b>21,963</b>	<b>23,659</b>
<b>Operating Income</b>	<b>(2,818)</b>	<b>(454)</b>	<b>1,067</b>	<b>1,493</b>	<b>1,805</b>
<b>Net Income</b>	<b>(1,669)</b>	<b>(1,266)</b>	<b>282</b>	<b>662</b>	<b>998</b>
<b>EBITDAR</b>	<b>420</b>	<b>1,577</b>	<b>2,432</b>	<b>2,814</b>	<b>3,085</b>
<b>EBITDARP<sup>(a)</sup></b>	<b>692</b>	<b>1,424</b>	<b>2,189</b>	<b>2,526</b>	<b>2,760</b>
<b>EBITDARPO<sup>(b)</sup></b>	<b>1,292</b>	<b>1,506</b>	<b>2,273</b>	<b>2,614</b>	<b>2,852</b>
Net cash provided by (used in) operating activities	(783)	(17)	1,129	1,387	1,722
Net cash (used in) investing activities	(913)	(924)	(791)	(802)	(785)
Net cash provided by (used in) financing activities and FX impact	1,459	52	(439)	(585)	(938)
<b>Increase (Decrease) in cash and cash equivalents<sup>(c)</sup></b>	<b>(238)</b>	<b>(889)</b>	<b>(100)</b>	<b>-</b>	<b>-</b>
<b>CONTINUING BUSINESSES</b>					
	2007	2008	2009	2010	2011
GM Sales	\$ 6,679	\$ 5,711	\$ 5,465	\$ 5,479	\$ 5,736
Non-GM Sales	12,472	13,009	14,806	16,484	17,923
Intercompany Sales / Eliminations	(60)	(53)	-	-	-
<b>Total Sales</b>	<b>19,091</b>	<b>18,666</b>	<b>20,270</b>	<b>21,963</b>	<b>23,659</b>
<b>Operating Income</b>	<b>(1,448)</b>	<b>(76)</b>	<b>1,100</b>	<b>1,509</b>	<b>1,805</b>
<b>Net Income</b>	<b>(289)</b>	<b>(776)</b>	<b>314</b>	<b>678</b>	<b>998</b>
<b>EBITDAR</b>	<b>396</b>	<b>1,595</b>	<b>2,434</b>	<b>2,817</b>	<b>3,085</b>
<b>EBITDARP<sup>(a)</sup></b>	<b>668</b>	<b>1,442</b>	<b>2,191</b>	<b>2,529</b>	<b>2,760</b>
<b>EBITDARPO<sup>(b)</sup></b>	<b>1,268</b>	<b>1,524</b>	<b>2,275</b>	<b>2,617</b>	<b>2,852</b>
Net cash provided by (used in) operating activities	(877)	(384)	1,082	1,403	1,732
Net cash (used in) investing activities	(818)	(911)	(791)	(802)	(785)
Net cash provided by (used in) financing activities and FX Impact	1,459	52	(439)	(585)	(938)
<b>Increase (Decrease) in cash and cash equivalents<sup>(c)</sup></b>	<b>(237)</b>	<b>(1,243)</b>	<b>(147)</b>	<b>16</b>	<b>10</b>
<b>NON-CONTINUING BUSINESSES</b>					
	2007	2008	2009	2010	2011
GM Sales	\$ 3,867	\$ 285	\$ -	\$ -	\$ -
Non-GM Sales	2,951	703	16	-	-
Intercompany Sales / Eliminations	60	53	-	-	-
<b>Total Sales</b>	<b>6,878</b>	<b>1,042</b>	<b>16</b>	<b>-</b>	<b>-</b>
<b>Operating Income</b>	<b>(1,370)</b>	<b>(378)</b>	<b>(32)</b>	<b>(16)</b>	<b>-</b>
<b>Net Income</b>	<b>(1,380)</b>	<b>(491)</b>	<b>(32)</b>	<b>(16)</b>	<b>-</b>
<b>EBITDAR</b>	<b>23</b>	<b>(18)</b>	<b>(2)</b>	<b>(4)</b>	<b>-</b>
Net cash provided by (used in) operating activities <sup>(d)</sup>	94	367	47	(16)	(10)
Net cash (used in) investing activities <sup>(e)</sup>	(94)	(13)	-	-	-
Net cash provided by financing activities and FX impact <sup>(f)</sup>	-	-	-	-	-
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>(1)</b>	<b>354</b>	<b>47</b>	<b>(16)</b>	<b>(10)</b>

Note: EBITDAR is calculated as operating income plus depreciation, amortization and restructuring expense. EBITDAR and its related metrics are calculated figures used as proxies by the Company for recurring operating income. However, neither EBITDAR nor its related metrics are measurements of performance under U.S. GAAP and may not be comparable to similarly titled measures of other companies.

(a) Pension adjustments include U.S. Hourly and Salaried pension (excluding SERP), adjusted for PRP pension expense incurred in 2006. Non-U.S. pension expenses are not included in the adjustments.

(b) Includes pension adjustments noted in footnote "a" plus adjustments to exclude U.S. OPEB expenses.

(c) Excludes changes in restricted cash.

(d) Non-Continuing Business cash flow from operating activities includes only net income and related non-cash adjustments, working capital cash, and cash spent on restructuring items. Corporate SG&A, pension, OPEB, and interest expenses attributable to Non-Continuing Businesses are included in the continuing businesses for purposes of the projections.

(e) Non-Continuing Business cash flow from investing activities includes only cash spent on capital expenditures.

(f) Capital Structure (including cash) assumed to be at continuing business for purposes of the projections; excess cash / shortfall generated by Non-Continuing Businesses assumed to be swept to / funded by continuing business.

Delphi Corporation  
Projected Consolidated Statements of Operations

(\$ in millions)	2007	2008	2009	2010	2011
<b>Net Sales:</b>					
GM Sales	\$ 10,546	\$ 5,996	\$ 5,465	\$ 5,479	\$ 5,736
Non-GM Sales	15,423	13,712	14,821	16,484	17,923
<b>Total Sales</b>	<b>\$ 25,969</b>	<b>\$ 19,708</b>	<b>\$ 20,286</b>	<b>\$ 21,963</b>	<b>\$ 23,659</b>
<b>Operating Expenses:</b>					
Total COGS	24,892	16,917	16,796	17,985	19,271
Selling, General and Administrative	1,704	1,546	1,205	1,263	1,348
Securities Litigation Charge <sup>(a)</sup>	332	-	-	-	-
Depreciation and Amortization	1,859	1,698	1,218	1,221	1,235
<b>Operating Income (EBIT)</b>	<b>\$ (2,818)</b>	<b>\$ (454)</b>	<b>\$ 1,067</b>	<b>\$ 1,493</b>	<b>\$ 1,805</b>
Operating Income %	(10.8%)	(2.3%)	5.3%	6.8%	7.6%
Reorganization Items (Income) / Expense	(1,596)	21	-	-	-
Interest Expense	347	572	561	518	452
Other Income / (Expense)	43	(78)	14	16	13
<b>Pretax Income</b>	<b>\$ (1,525)</b>	<b>\$ (1,124)</b>	<b>\$ 520</b>	<b>\$ 991</b>	<b>\$ 1,366</b>
Income Tax Expense	144	143	238	329	367
<b>Net Income</b>	<b>\$ (1,669)</b>	<b>\$ (1,266)</b>	<b>\$ 282</b>	<b>\$ 662</b>	<b>\$ 998</b>
Net Income %	(6.4%)	(6.4%)	1.4%	3.0%	4.2%
Memo: EBITDAR	\$ 420	\$ 1,577	\$ 2,432	\$ 2,814	\$ 3,085
EBITDAR %	1.6%	8.0%	12.0%	12.8%	13.0%
Memo: EBITDARP <sup>(b)</sup>	\$ 692	\$ 1,424	\$ 2,189	\$ 2,526	\$ 2,760
EBITDARP %	2.7%	7.2%	10.8%	11.5%	11.7%
Memo: EBITDARPO <sup>(c)</sup>	\$ 1,292	\$ 1,506	\$ 2,273	\$ 2,614	\$ 2,852
EBITDARPO %	5.0%	7.6%	11.2%	11.9%	12.1%

Note: EBITDAR is calculated as operating income plus depreciation, amortization and restructuring expense. EBITDAR and its related metrics are calculated figures used as proxies by the Company for recurring operating income. However, neither EBITDAR nor its related metrics are measurements of performance under U.S. GAAP and may not be comparable to similarly titled measures of other companies.

(a) Excludes recoveries/distributions from Delphi's director and officer liability insurance and reimbursement from a third-party. Net of recoveries, the net expense is estimated to be \$206 million in 2007. The Projections contemplate payout of securities litigation as a general unsecured claim in an amount net of these recoveries/distributions.

(b) Pension adjustments include U.S. Hourly and Salaried pension (excluding SERP), adjusted for PRP pension expense incurred in 2006. Non-U.S. pension expenses are not included in the adjustments.

(c) Includes pension adjustments noted in footnote "a" plus adjustments to exclude U.S. OPEB expenses.

Delphi Corporation  
Projected Consolidated Balance Sheets

(\$ in millions)	2007	2008	2009	2010	2011
<b>Current Assets:</b>					
Cash and Cash Equivalents <sup>(a)</sup>	\$ 1,589	\$ 700	\$ 600	\$ 600	\$ 600
GM Receivables	1,481	937	838	844	912
Non-GM Receivables	2,841	2,783	2,964	3,291	3,554
<b>Total Receivables</b>	<b>\$ 4,322</b>	<b>\$ 3,720</b>	<b>\$ 3,803</b>	<b>\$ 4,135</b>	<b>\$ 4,466</b>
Inventory	2,026	1,779	1,699	1,796	1,907
Deferred Taxes	68	68	68	68	68
Other Current Assets	678	323	323	323	323
<b>Total Current Assets</b>	<b>\$ 8,683</b>	<b>\$ 6,590</b>	<b>\$ 6,492</b>	<b>\$ 6,922</b>	<b>\$ 7,364</b>
<b>Long Term Assets:</b>					
Property, net	\$ 4,658	\$ 4,509	\$ 4,429	\$ 4,357	\$ 4,254
Deferred Taxes	94	94	94	94	94
Other Assets <sup>(b)</sup>	5,602	4,765	4,432	4,110	3,788
Pension Pre-Paid Asset	1	2	4	420	773
Goodwill	4,755	4,755	4,755	4,755	4,755
<b>Total Long Term Assets</b>	<b>\$ 15,110</b>	<b>\$ 14,126</b>	<b>\$ 13,715</b>	<b>\$ 13,737</b>	<b>\$ 13,665</b>
<b>Total Assets</b>	<b>\$ 23,793</b>	<b>\$ 20,715</b>	<b>\$ 20,208</b>	<b>\$ 20,659</b>	<b>\$ 21,028</b>
<b>Current Liabilities:</b>					
Current Portion of Long-Term Debt	\$ 787	\$ 787	\$ 787	\$ 787	\$ 787
Accounts Payable	2,724	2,634	2,640	2,901	3,162
Pension	1,284	216	198	158	89
OPEB	152	61	68	75	81
Accrued Liabilities	1,374	858	761	738	738
<b>Total Current Liabilities</b>	<b>\$ 6,322</b>	<b>\$ 4,557</b>	<b>\$ 4,455</b>	<b>\$ 4,660</b>	<b>\$ 4,857</b>
<b>Long Term Liabilities:</b>					
Debt	\$ 5,238	\$ 5,329	\$ 4,930	\$ 4,384	\$ 3,485
Pension	1,422	1,072	638	641	626
OPEB	1,018	1,081	1,144	1,202	1,257
Other Liabilities	1,630	1,704	1,758	1,822	1,864
<b>Total Long Term Liabilities</b>	<b>\$ 9,308</b>	<b>\$ 9,187</b>	<b>\$ 8,470</b>	<b>\$ 8,048</b>	<b>\$ 7,232</b>
<b>Total Liabilities</b>	<b>\$ 15,630</b>	<b>\$ 13,743</b>	<b>\$ 12,925</b>	<b>\$ 12,708</b>	<b>\$ 12,089</b>
<b>Stockholders' Equity</b>	<b>\$ 8,163</b>	<b>\$ 6,972</b>	<b>\$ 7,282</b>	<b>\$ 7,951</b>	<b>\$ 8,939</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$ 23,793</b>	<b>\$ 20,715</b>	<b>\$ 20,208</b>	<b>\$ 20,659</b>	<b>\$ 21,028</b>

(a) Cash and cash equivalents includes restricted cash.

(b) Other assets includes intangible assets, except for goodwill.

Delphi Corporation  
Projected Consolidated Statements of Cash Flows

(\$ in millions)	2007	2008	2009	2010	2011
<b>Cash Flows from Operating Activities:</b>					
Net Income / (Loss)	\$ (1,669)	\$ (1,266)	\$ 282	\$ 662	\$ 998
Non-Cash Expenses in Net Income:					
Depreciation and Amortization <sup>(a)</sup>	1,026	1,491	1,208	1,221	1,235
Pension Expense	454	(72)	(179)	(230)	(269)
OPEB Expense	602	83	85	89	93
Reorganization Expense	(1,596)	21	-	-	-
Restructuring Expense	2,211	539	156	100	45
Changes in Assets and Liabilities:					
Working Capital	250	759	4	(168)	(181)
Other, net	71	330	54	84	103
Pension Contributions	(313)	(1,284)	(216)	(198)	(158)
OPEB Cash Paid	(267)	(152)	(61)	(68)	(75)
Restructuring Cash Paid	(1,552)	(465)	(204)	(104)	(69)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (783)</b>	<b>\$ (17)</b>	<b>\$ 1,129</b>	<b>\$ 1,387</b>	<b>\$ 1,722</b>
<b>Net cash (used in) investing activities</b>	<b>\$ (913)</b>	<b>\$ (924)</b>	<b>\$ (791)</b>	<b>\$ (802)</b>	<b>\$ (785)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>\$ 1,421</b>	<b>\$ 52</b>	<b>\$ (439)</b>	<b>\$ (585)</b>	<b>\$ (938)</b>
FX Impact	38	-	-	-	-
<b>(Decrease) increase in cash and cash equivalents</b>	<b>\$ (238)</b>	<b>\$ (889)</b>	<b>\$ (100)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>\$ 1,813</b>	<b>\$ 1,589</b>	<b>\$ 700</b>	<b>\$ 600</b>	<b>\$ 600</b>
Net Cash Flow	(238)	(889)	(100)	-	-
Change in Restricted Cash	13	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>\$ 1,589</b>	<b>\$ 700</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 600</b>

(a) Excludes asset impairment, which is classified within restructuring expense.

**Delphi Corporation**  
**Projected Pro Forma Consolidated Balance Sheet**  
**(12/31/2007)**

(\$ in millions)	Pre- Emergence Balance Sheet	Debt / Equity Discharge	Capital Transactions and Other	Fresh Start	Reorganized Balance Sheet
Current Assets:					
Cash and Cash Equivalents <sup>(a)</sup>	\$ 1,000	\$ (6,075)	\$ 6,664	\$ -	\$ 1,589
GM Receivables	1,481	-	-	-	1,481
Non-GM Receivables	2,841	-	-	-	2,841
<b>Total Receivables</b>	<b>\$ 4,322</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,322</b>
Inventory	1,926	-	-	100	2,026
Deferred Taxes	68	-	-	-	68
Other Current Assets	430	-	-	248	678
<b>Total Current Assets</b>	<b>\$ 7,746</b>	<b>\$ (6,075)</b>	<b>\$ 6,664</b>	<b>\$ 348</b>	<b>\$ 8,683</b>
Long Term Assets:					
Property, net	3,858	-	-	800	4,658
Deferred Tax	94	-	-	-	94
Other Assets <sup>(b)</sup>	975	-	167	4,460	5,602
Pension Pre-Paid Asset	1	-	-	-	1
Goodwill	428	-	-	4,327	4,755
<b>Total Long Term Assets</b>	<b>\$ 5,356</b>	<b>\$ -</b>	<b>\$ 167</b>	<b>\$ 9,587</b>	<b>\$ 15,110</b>
<b>Total Assets</b>	<b>\$ 13,102</b>	<b>\$ (6,075)</b>	<b>\$ 6,831</b>	<b>\$ 9,936</b>	<b>\$ 23,793</b>
Current Liabilities:					
Current Portion of Long Term Debt	\$ 4,177	\$ (3,426)	\$ 37	\$ -	\$ 787
Accounts Payable	2,724	-	-	-	2,724
Pension	1,284	-	-	-	1,284
OPEB	152	-	-	-	152
Accrued Liabilities	1,352	22	-	-	1,374
<b>Total Current Liabilities</b>	<b>\$ 9,689</b>	<b>\$ (3,404)</b>	<b>\$ 37</b>	<b>\$ -</b>	<b>\$ 6,322</b>
Long Term Liabilities:					
Debt	11	814	4,413	-	5,238
Pension	3,540	(2,118)	-	-	1,422
OPEB	9,297	(8,279)	-	-	1,018
Other Liabilities	1,368	262	-	-	1,630
<b>Total Long Term Liabilities</b>	<b>\$ 14,216</b>	<b>\$ (9,321)</b>	<b>\$ 4,413</b>	<b>\$ -</b>	<b>\$ 9,308</b>
Liabilities Subject to Compromise	4,417	(4,417)	-	-	-
<b>Total Liabilities</b>	<b>\$ 28,323</b>	<b>\$ (17,143)</b>	<b>\$ 4,450</b>	<b>\$ -</b>	<b>\$ 15,630</b>
Stockholders' Equity					
Common Stock and Additional Paid-In Capital	2,782	4,191	1,624	(2,434)	6,163
Convertible Preferred - Plan Investors	-	-	800	-	800
Preferred Stock - GM	-	1,200	-	-	1,200
Retained Earnings	(15,415)	5,676	(43)	9,782	-
Treasury Stock	(96)	-	-	96	-
Accumulated Comprehensive Income	(2,602)	-	-	2,602	-
Other comprehensive income FAS133	109	-	-	(109)	-
<b>Total Stockholders' Equity</b>	<b>\$ (15,222)</b>	<b>\$ 11,067</b>	<b>\$ 2,381</b>	<b>\$ 9,936</b>	<b>\$ 8,163</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$ 13,102</b>	<b>\$ (6,075)</b>	<b>\$ 6,831</b>	<b>\$ 9,936</b>	<b>\$ 23,793</b>

(a) Cash and cash equivalents includes restricted cash.  
(b) Other assets includes intangible assets, except for goodwill.

*Projected Pro Forma Consolidated Balance Sheet Assumptions*

U.S. GAAP requires companies emerging from bankruptcy that meet certain criteria to apply Fresh-Start Reporting upon emergence in accordance with American Institute of Certified Public Accountants Statement of Position 90-7 Financial Reporting by Entities in Reorganization under the Bankruptcy Code ("SOP 90-7"). The main principles of Fresh Start Reporting include the reorganization



value of the entity being allocated to the entity's assets in conformity with the procedures specified by Statement of Financial Accounting Standards ("SFAS") No. 141, Business Combinations and any portion of the reorganization value that cannot be attributed to specific tangible or identified intangible assets of the emerging entity should be reported as goodwill in accordance with SFAS No. 142, Goodwill and Other Intangible Assets.

Solely for purposes of preliminary fresh start accounting estimates in these Projections, the reorganization value is based upon a \$13.5 billion enterprise value estimate. The reorganization value ultimately used by the Debtors in implementing Fresh-Start Reporting may differ from this estimate. Likewise, the Debtors' allocation of the reorganization value to individual assets and liabilities is based upon preliminary estimates by the Debtors, are subject to change upon the formal implementation of Fresh-Start Reporting and could result in material differences to the allocated values included in these Projections. ~~For purposes of the Projections, the reorganization value is based upon a deemed equity value of \$45 per share, subject to discounts for certain constituents as negotiated in the Plan. The reorganization value ultimately used by the Debtors in implementing Fresh-Start Reporting may differ from this estimate. Likewise, the Debtors' allocation of the reorganization value to individual assets and liabilities is based upon preliminary estimates by the Debtors, are subject to change upon the formal implementation of Fresh-Start Reporting and could result in material differences to the allocated values included in these Projections.~~

The significant projected pro forma consolidated balance sheet adjustments reflected in the Projections are summarized as follows:

- a) **Inventory:** A Fresh-Start adjustment of approximately \$0.1 billion was made due to a revaluation of materials inventory based on estimated fair market value.
- b) **Other Current Assets:** An adjustment of \$0.2 billion was made to mark up a receivable from GM for the 2007 pension normal cost reimbursement and the 2007/2008 OPEB cash cost reimbursement.
- c) **Property, net:** A Fresh-Start adjustment of approximately \$0.8 billion was made to write-up fixed assets to ~~its~~ estimated fair market value.
- d) **Other Assets:** An adjustment of approximately \$4.3 billion was made to recognize intangible assets based on the estimated fair market value of patents, trade names, customer relationships and in-process research and development. In addition, an adjustment of approximately \$0.2 billion was made to write-up investments in non-consolidated joint ventures to estimated fair market value. Other Assets also includes the capitalization of certain exit financing fees in the amount of \$0.2 billion.
- e) **Goodwill:** Goodwill is estimated by subtracting the estimated fair market value of the reorganized Debtors' identifiable tangible and intangible assets from the sum of the projected reorganized equity value plus total liabilities upon emergence. Adjustments were also made to record approximately \$4.8 billion of excess reorganization value upon the Effective Date.
- f) **Short-term debt:** Short-term debt at the Effective Date of \$0.8 billion is primarily comprised of reinstated foreign debt.
- g) **Long-term debt:** Long-term debt at the Effective Date includes approximately ~~\$5.75~~ billion of term loans, \$1.5 billion of second lien ~~unsecured~~ notes and \$0.1 billion of reinstated other debt.
- h) **Pension (long-term):** Adjustments were made to record reductions in the carrying value of pension liabilities, primarily due to the freeze of the U.S. hourly defined benefit plan, and the corresponding transfer of \$1.5 billion net unfunded liability to GM. Other adjustments of approximately \$0.6 billion were recorded to the Pension liability due to both the freeze of the U.S.

salaried defined benefit plan and separately, the satisfaction of approximately \$0.1 billion of claims related to retiree SERP obligations.

i) **OPEB (long-term):** Adjustments of approximately \$8.3 billion were made to record reductions in carrying value of OPEB liabilities resulting from the termination of the existing U.S. hourly post-retirement healthcare plans.

j) **Other Liabilities:** An adjustment of approximately \$0.3 billion was made to reclassify warranty and environmental liabilities from Liabilities Subject to Compromise.

k) **Liabilities Subject to Compromise:** An adjustment of approximately \$4.1 billion was made to record the settlement of accounts payable, short term and long term debt and other liabilities pursuant to the Plan. In addition, as noted above, approximately \$0.3 billion of warranty and environmental liabilities were reclassified to other liabilities. The liabilities subject to compromise account shown on the balance sheet excludes pre-petition pension and OPEB liabilities. These liabilities are displayed separately on the balance sheet and related fresh-start adjustments are described in the "Pension (long-term)" and "OPEB (long-term)" sections in this exhibit.

l) Total Stockholders Equity (Deficit): Adopting fresh-start reporting results in a new reporting entity with no retained earnings/deficit or accumulated comprehensive income. All pre-existing common stock has been replaced by the new equity structure comprehended in the Plan, which includes the issuance of i) New Common Stock to the Plan Investors and Pre-Petition Claimants, ii) New Preferred Stock to the Plan Investors, and iii) preferred stock to GM as part of the total consideration in satisfaction of the GM Claim.  
~~Total Stockholders Equity (Deficit): Adopting fresh-start reporting results in a new reporting entity with no retained earnings/deficit or accumulated comprehensive income. All pre-existing common stock has been replaced by the new equity structure comprehended in the Plan.~~